



PRESS RELEASE

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IRS – Criminal Investigation

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Oregon Tax Defier and Member of Freedom Law School Sentenced to Prison for Tax Evasion

Used Warehouse Bank, Prepaid Debit Cards, Cashier's Checks, and Postal Money Orders to Conceal Income and Assets From IRS

A Point Richmond, California man was sentenced to serve 33 months in prison yesterday for tax evasion, announced Principal Deputy Assistant Attorney General Caroline D. Ciraolo, head of the Justice Department's Tax Division, and U.S. Attorney Brian J. Stretch of the Northern District of California.

In June, Richard Thomas Grant, 63, was found guilty of three counts of tax evasion following a jury trial in Oakland, California. In 2001, Grant stopped filing individual income tax returns and paying income taxes despite the fact that he received significant income as a partner with Grant Engineering & Manufacturing, an engineering company in Richmond. In 2003, Grant stopped filing annual partnership returns for Grant Engineering, even though he continued to pay a CPA to prepare these returns. That same year, Grant became a member of Freedom Law School and paid thousands of dollars in yearly membership fees. While the Internal Revenue Service (IRS) attempted to collect unpaid taxes owed by Grant for 2001 and 2002, and attempted to examine Grant's taxes for subsequent years, Grant, with the assistance of Freedom Law School and its founder, Peymon Mottahedeh, attempted to frustrate the IRS's actions by, among other things, filing multiple and ultimately unsuccessful law suits in various jurisdictions.

For the charged years 2005 through 2009, Grant's partnership income was \$509,339, \$566,741, \$486,062, \$598,977 and \$604,706, respectively.

In an effort to conceal his assets and income, in 2005, Grant significantly curbed the use of his checking accounts and began depositing his partnership distributions at a warehouse bank known as MyICIS in Berryville, Arkansas. Warehouse banks can be used to conceal ownership of funds in part by commingling such funds with those of other individuals. Between April 2005 and October 2006, Grant wrote hundreds of checks drawn on the MyICIS account and funded multiple prepaid debit cards. Grant used the checks and debit cards to pay his mortgage and other personal expenses.

After the federal government shut down MyICIS, Grant used another bank to convert his partnership distributions to cashier's checks and cash in order to avoid depositing the funds into

a bank account and used the cashier's checks to pay his mortgage and other high-dollar personal expenses. He also used cash to purchase dozens of U.S. Postal money orders to pay other bills and expenses, including utilities, taxes and expenses related to his classic aircraft.

In addition to the term of prison imposed, Grant was also ordered to serve three years of supervised release and pay restitution to the IRS in the amount of \$402,457.39.

Principal Deputy Assistant Attorney General Ciruolo and U.S. Attorney Stretch commended agents of IRS-Criminal Investigation, who conducted the investigation, and Assistant U.S. Attorney Colin Sampson and Trial Attorney Matthew Kluge of the Tax Division, who prosecuted the case.

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